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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 2, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 6252

Brad Boyter  
Western Clay Company  
P.O. Box 127  
Aurora, Utah 84620

Subject: Directive to Provide Additional Reclamation Surety and to Update the Notice of Intention, Western Clay Company, Bentonite Pits Mine, M/041/0012, Sevier County, Utah

Dear Mr. Boyter:

The last reclamation cost estimate for the Bentonite Pits mine was completed in 2010, and the reclamation surety was calculated in 2015 dollars. The reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has performed a simple escalation calculation of the existing Bentonite Pits mine surety, as shown below:

<b>Existing Surety, 2015</b>	<b>\$428,000.00</b>
Number of Escalation Years	5
Escalation factor	0.012
Escalation Amount	\$26,304.00
Existing Surety Amount, Escalated to 2020	\$454,304.00
<b>Total Required Surety, in 2020 dollars</b> (rounded to nearest \$1,000)	<b>\$454,000.00</b>
<b>Difference Between Existing Surety and Total Required Surety</b>	<b>-\$26,000.00</b>

**By November 16, 2015, provide the Division with total mine reclamation surety in the amount of \$454,000.00.**

In order to properly calculate the reclamation bond using more recent site-specific conditions and plans, the Notice of Intention to Commence Large Mining Operations (Notice) needs to be updated. **By January 29, 2016, submit the following to the Division:**

- 1) An amended Notice, consistent with reclamation requirements and updated to reflect both current and future operation and reclamation plans, and
- 2) An updated reclamation cost estimate, based on the updated reclamation plan in the Notice and using the Division's cost calculation worksheets, which can be found at [http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding\\_worksheets.html](http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html).

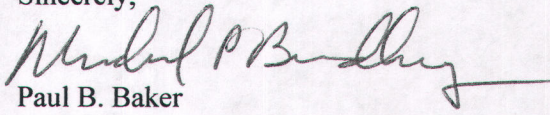




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Brad Boyter  
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Any necessary changes should be addressed by submitting an amendment to the Notice using form MR-REV-LMO. Please contact Peter Brinton at 801-538-5258, or me at 801-538-5261 if you have any questions regarding this letter. In reply please refer to file number M/041/0012.

Sincerely,

  
for Paul B. Baker  
Mining Program Manager

PBB: mbt, pnb: pb  
cc: John Blake, SITLA (ML-1937); jblake@utah.gov  
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